NORTH BIBLE GROVE

5.17 ACRE SITE STATUS REPORT # 15 (6-9-97)
Covering Period from 5-24-97 through 6-6-97

WELL WORK:

A review of all wells adjacent to, and potential injection zones beneath, the 5.17 acre site has been completed. The Penn sands in this area are more likely to accept the high viscosity, high solids produced fluids contained in the top and bottom layers of the lined pit. L. Webster #16-2 has been confirmed as the most desirable candidate to convert to a Class II injection well in the shallower (1900'), thicker (100-150'), more permeable Penn sands since it is already completed in the Penn sands and is located just south of L. Webster #16-1 (which is now injecting produced fluids from the pit into the tighter Weiler sands at around 2500').

Based on the area of review there are two nearby wells for which the actual top of cement (TOC) will need to be determined before injection into the Penn sands of L. Webster #16-2 can be further considered. The TOC in nearby wells, L. Webster #16-1 and Childers Community #17-2 will impact the allowable pressure and rate at which produced fluids can be injected in well #16-2. Therefore, plans are being made to run a cement bond log (CBL) in well, #17-2, just to the east of well #16-2. The results of this CBL will determine our next decision related to the Penn sands. If the CBL is favorable, a mechanical integrity test in well #16-2 will be necessary as will a CBL in well #16-1. If all results are favorable, we will apply for an injection permit for well #16-2.

A backup option, should use of the Penn sands not be viable, is to deepen well #16-1 approximately 100' to open additional Weiler sands for injection.

The final step of the pit closure will be to solidify the remaining pit material on site after having injected as much of the pits contents as possible.

An amendment to our License Agreement with the nearby landowner (Mr. Childers) has been drafted and discussed verbally with Mr. Childers. Mr. Childers conceptually agrees with adding well #16-2 to the agreement, if we decide to use the well. The amendment will be sent to Mr. Childers for his signature before #16-2 is converted to an injector. All Childers' wells not used by Texaco will be released to the Mines & Minerals for plugging during the second half of 1997.

PIT WORK:

The pit level was not reported during this period. Our local contractor is still under direction to keep the pit pumped down to a safe level. Pumping from the pit has been slowed, as pump efficiency problems have resulted in a loss in suction pressure as the pit level drops. Additionally, we are saving some of the water in the pit to use for cleaning the remaining equipment on the site, including the above-ground concrete separator. Our local operations personnel are continuing with plans for the installation of a small tank, necessary safety shutdowns, and a feed pump that will allow pit fluids to be lifted to ground level and then be pumped into the Class II injection well(s) using our existing injection pump.

MISCELLANEOUS FACILITIES:

We are awaiting a response from the Mines & Minerals to our April 29, 1997 memo related to the demolition of the above-ground concrete separator.

A bid package is being prepared and will be issued soon in order to prepare for potential pit solidification work, should we be unsuccessful in disposing of all of the pit contents into nearby wells.

A local chemical supplier has completed lab testing on a sample of the top oily layer in the pit. Next week, we should receive an analysis of the material and a recommendation for breaking up this oily layer to either make it sellable or more pumpable (for disposal).